



THIRD QUARTER 2010

22 OCTOBER 2010



HENRY STÉNSON

SENIOR VICE PRESIDENT
COMMUNICATIONS

A decorative graphic on the left side of the slide, composed of numerous small circles in various colors including green, teal, blue, and purple, arranged in a pattern that suggests movement or data points.

THIRD QUARTER 2010

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE BASED ON OUR CURRENT EXPECTATIONS AND ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD NEGATIVELY AFFECT OUR BUSINESS. PLEASE READ OUR EARNINGS REPORTS AND OUR MOST RECENT ANNUAL REPORT FOR A BETTER UNDERSTANDING OF THESE RISKS AND UNCERTAINTIES.



HANS VESTBERG

PRESIDENT AND CEO

NET SALES

- › Group sales +2% YoY
 - Negative impact from strong SEK
 - Gradual improvement of component shortage
- › Organic growth FX adjusted -5% YoY
- › Networks and Global Services show growth
 - Mobile broadband growth, especially in the US and Japan
 - Professional Services up 10% YoY in local currencies
- › Multimedia – weak

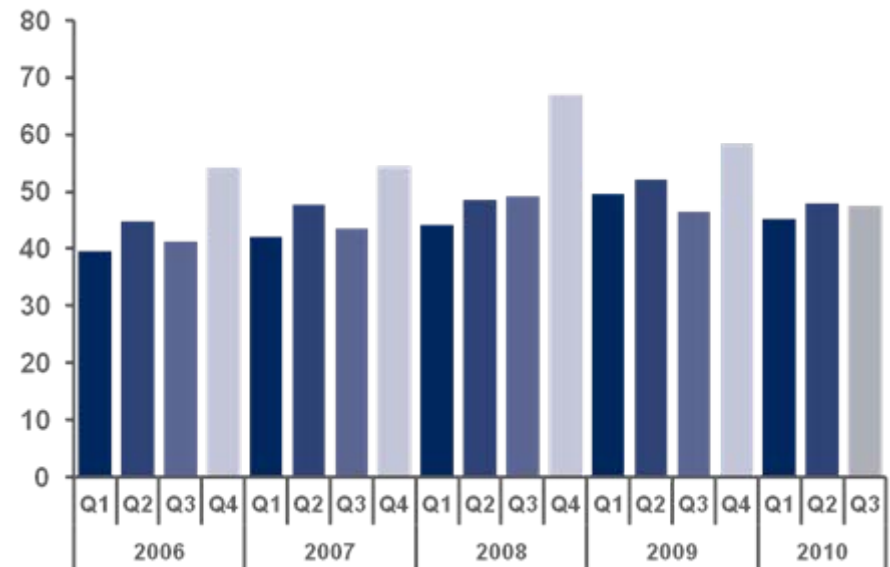
Net sales

| | |
|------|----------|
| Q310 | SEK 47.5 |
| Y/Y | +2% |
| Q/Q | -1% |

Comparable units and adj for net FX/hedge

| | |
|-----|-----|
| Y/Y | -5% |
|-----|-----|

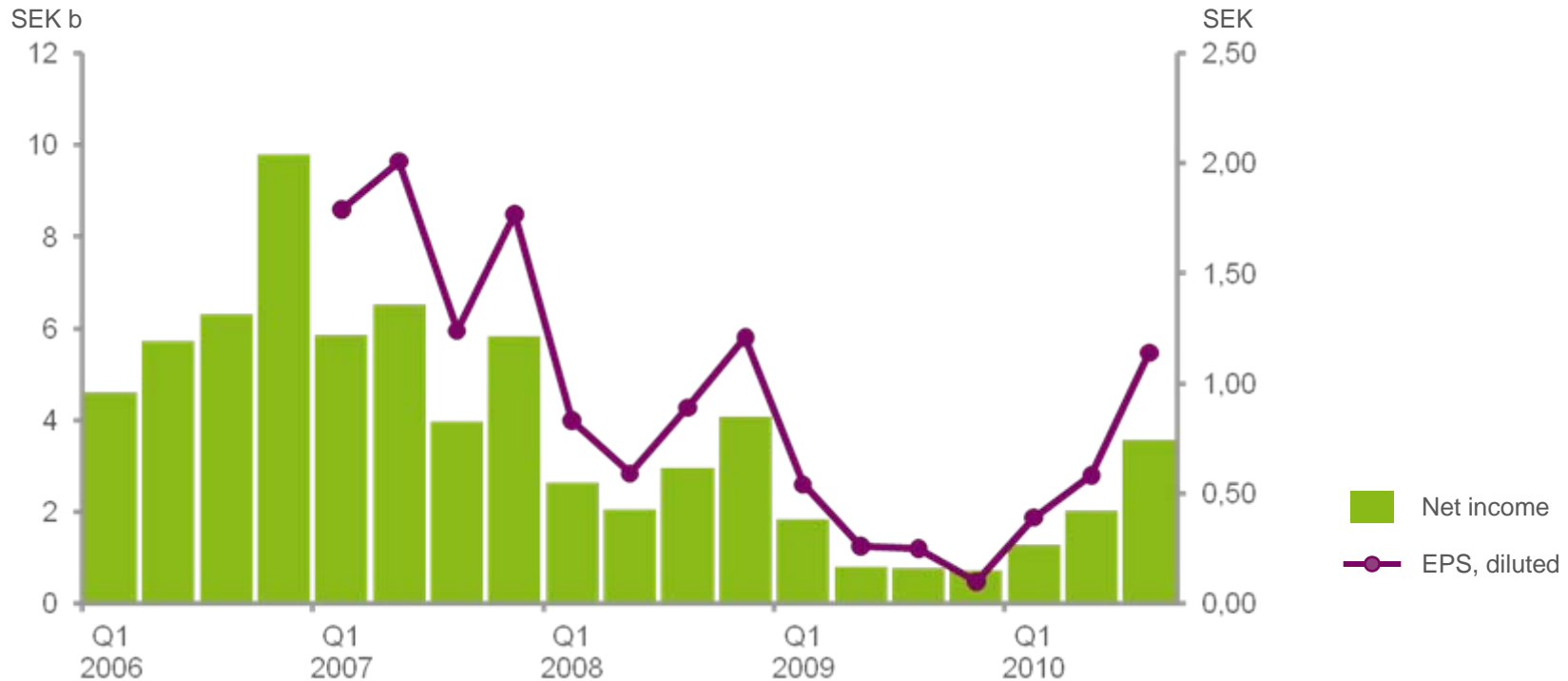
SEK b



PROFITABILITY

› Improved operational results, JV earnings, lower restructuring charges

- Net income SEK 3.6 (0.8) b
- EPS diluted SEK 1.14 (0.25)



RECENT EVENTS

› Acquisitions

- Nortel's multi-service switch business
- inCode – technology consulting capabilities

› Leadership in LTE

- MetroPCS – first commercial LTE launch in North America
- LTE trials across the world

› Continued good development in services

- 5-year agreement for field services for Vodafone Germany

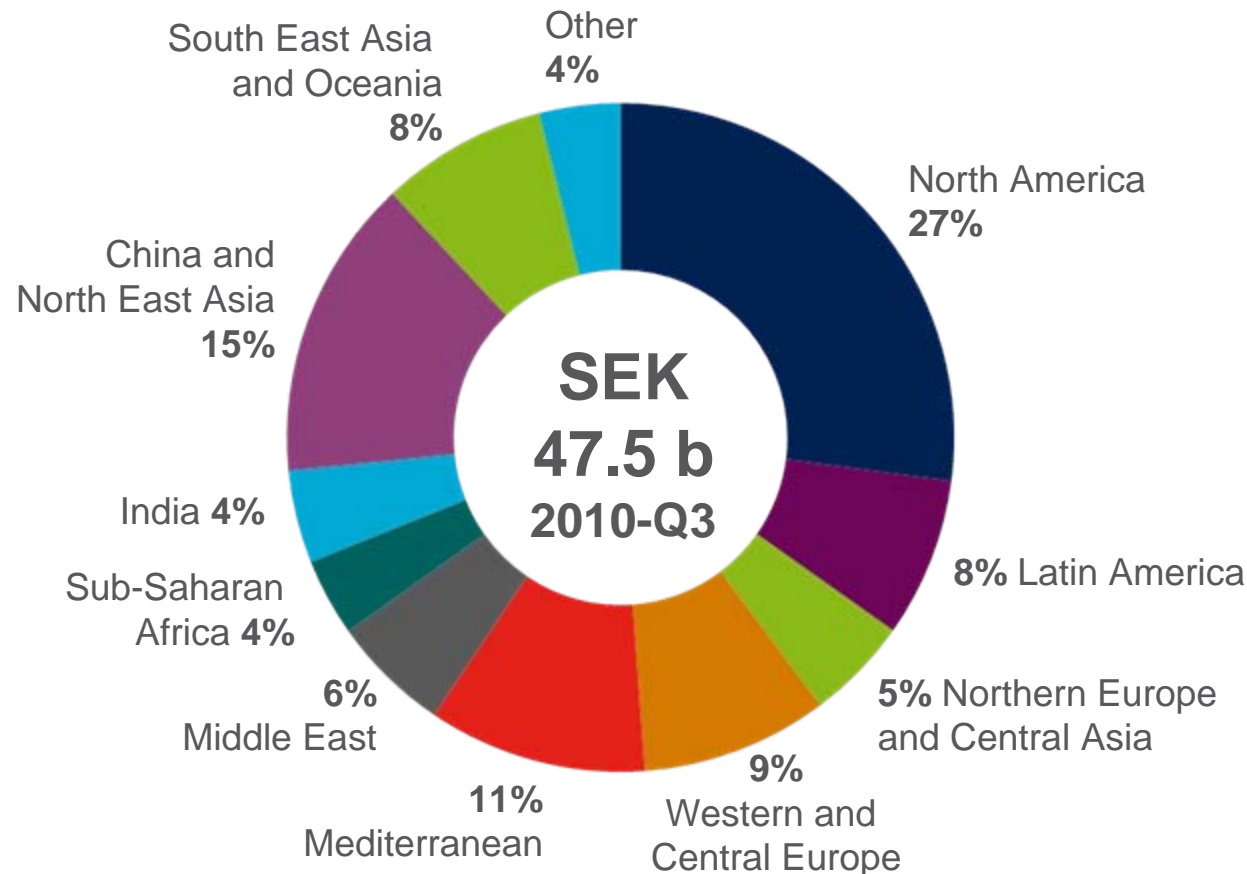




REGIONAL COMMENTS

Q3 REGIONAL SALES SPLIT

- › Strong SEK impacted several regions negatively
- › Negative impact from component shortage and supply chain bottlenecks
- › Minor impact on sales and margins from network modernization



REGIONAL SALES

North America +223% YoY -1% QoQ

- Continued data growth
- Pre-paid data services

Latin America -27% YoY -13% QoQ

- Operator consolidation
- 2G and 3G expansions, new managed services deals

Northern Europe & Central Asia -13% YoY -12% QoQ

- 2G expansions, 3G rollouts in Eastern part
- Network modernization in Western part

Western and Central Europe -22% YoY -3% QoQ

- LTE and network modernization
- 10,000 shared sites in UK

Mediterranean -3% YoY -11% QoQ

- Good demand for managed services and consulting
- Network modernization

Middle East -40% YoY -28% QoQ

- Good momentum in Gulf countries
- Slow development in rest of region

Sub-Saharan Africa -44% YoY -39% QoQ

- Continued cautious operator investments
- 2G prime driver

India -49% YoY +58% QoQ

- Investments in GSM
- 3G contract wins

China and North East Asia +24% YoY +51% QoQ

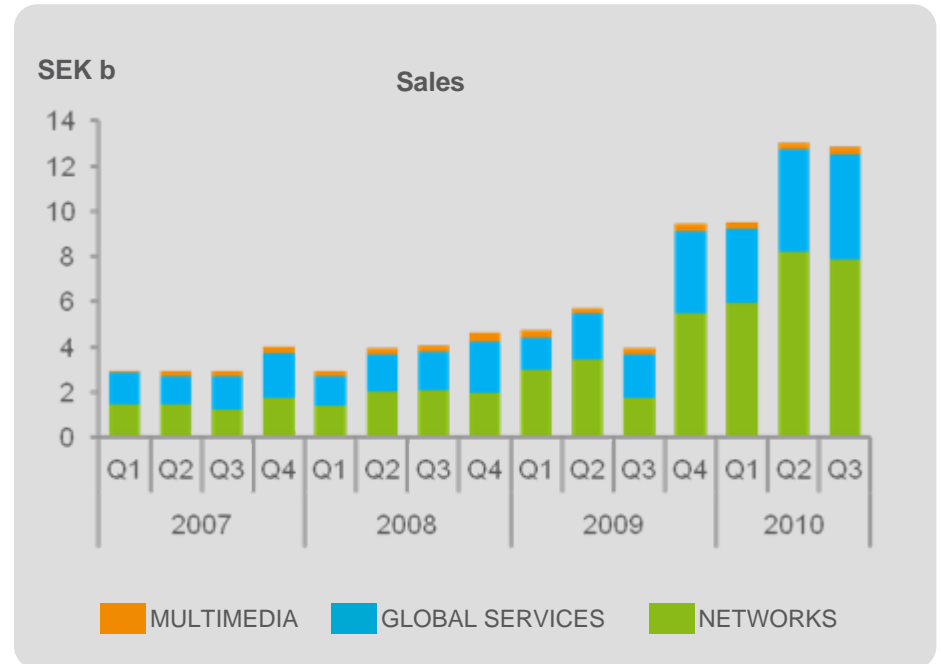
- Mobile broadband demand in Japan
- 2G capacity expansions in China

South East Asia and Oceania -20% YoY +5% QoQ

- Good demand for mobile broadband
- Slow development in Vietnam

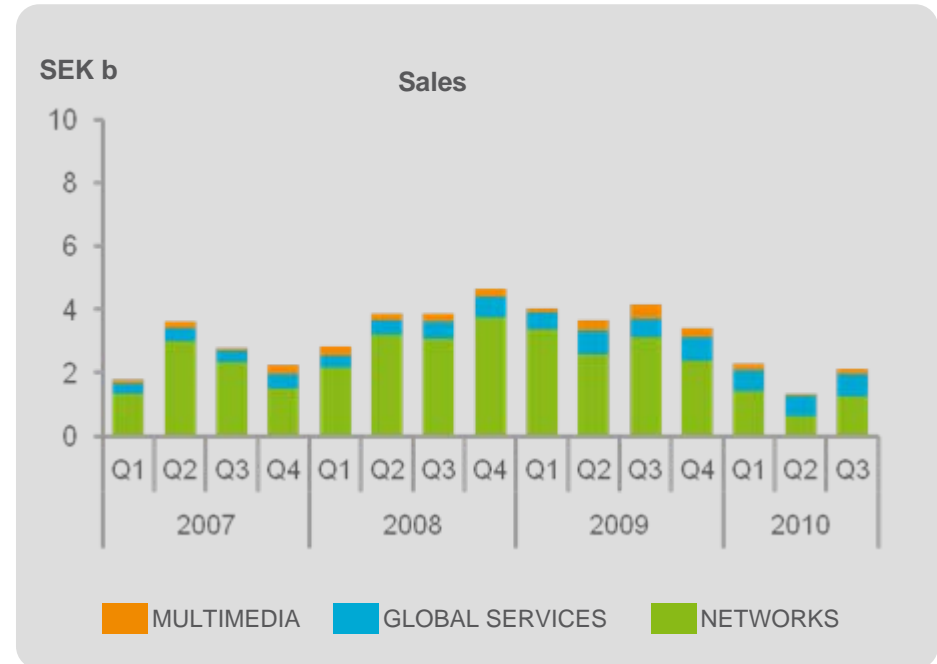
NORTH AMERICA

- › Sales +223% YoY and -1% sequentially
- › Sequential growth excl. FX
- › Data continues to grow – CDMA/HSPA/LTE
- › Successful LTE launch by MetroPCS



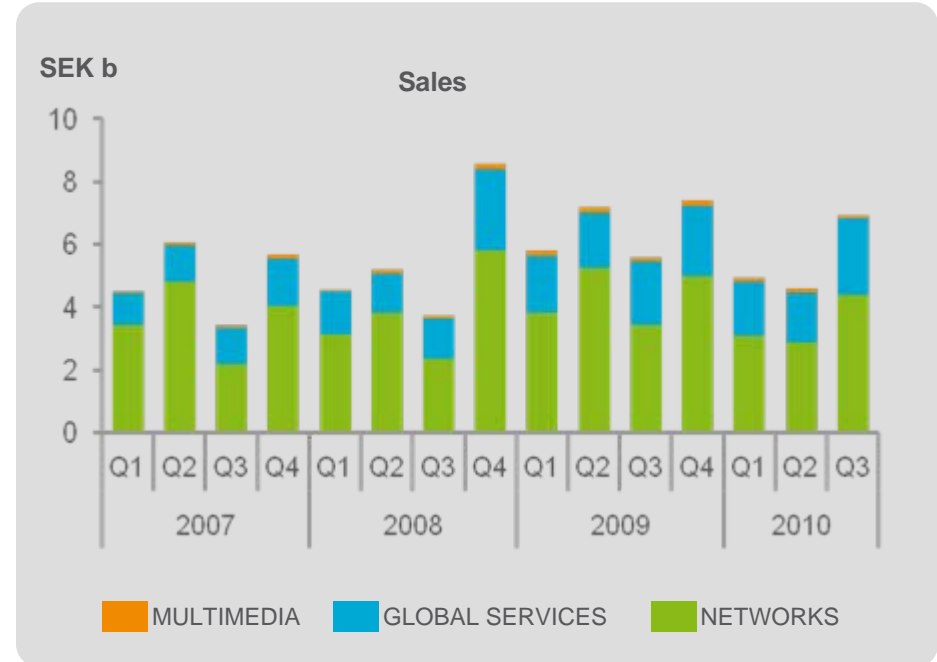
INDIA

- › Sales -49% YoY and +58% sequentially
- › Investments in GSM, coverage and capacity
 - Under interim security clearance
- › 3G contract wins
 - New footprint, lower margins
 - Maintained market shares
 - Deployments expected coming quarters
 - Bharti Airtel
- › Recurring services business maintained good development



CHINA AND NORTH EAST ASIA

- › Sales +24% YoY and +51% sequentially
- › Strong sales of mobile broadband in Japan
- › 2G capacity expansions in China
- › China tough comparison, 3G rollouts 2009
- › Footprint established in Korea
 - Slow quarter for LG-Ericsson due to cautious operator investments ahead of LTE





SEGMENTS

NETWORKS

- › Sales increase driven by demand for mobile broadband – especially US, Japan
 - › Positive impact from acquired Nortel businesses, negative impact from strong SEK
 - › 2G sales picked up in India and China – still overall slow voice sales
- › Impact of SEK 2-3 b from component shortage in the quarter
 - › Delivered on backlog of SEK 3-4 b from component shortage and supply chain bottlenecks in Q2
- › Improved margins
 - › YoY margin improvement due to business mix - more network upgrades and cost savings
 - › QoQ margin improvement from seasonally low operating expenses



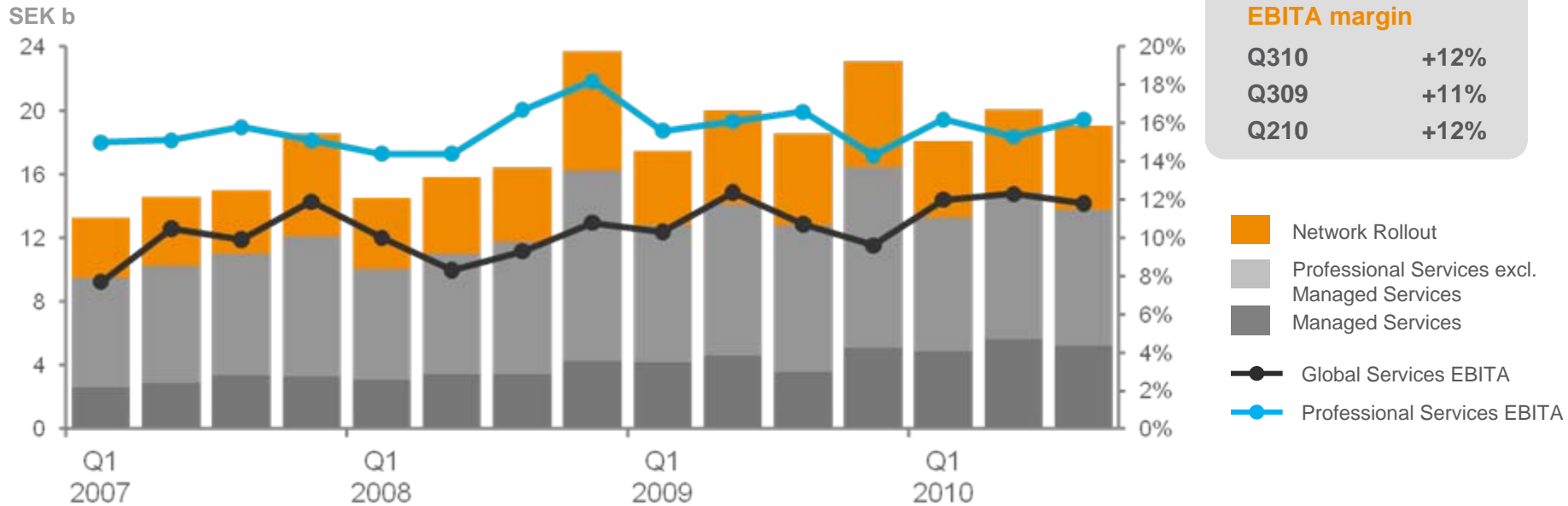
All numbers excl. restructuring charges

GLOBAL SERVICES

- › Negative impact from strong SEK
- › Professional Services sales +10% YoY in local currencies
 - › Managed Services +46% YoY – impact from Sprint deal
 - › 13 new managed services contracts of which 8 extensions
- › Margin development
 - › Projects negatively impacted by supply chain bottlenecks
 - › Positive impact from lower proportion of turnkey projects

| Sales | |
|-------|-----|
| Y/Y | +3% |
| Q/Q | -5% |

| Global Services EBITA margin | |
|------------------------------|------|
| Q310 | +12% |
| Q309 | +11% |
| Q210 | +12% |



All numbers excl. restructuring charges

MULTIMEDIA

- › Continued sales decline
 - › Delayed product upgrades and operator consolidation
- › TV business developing favorably
- › Back to profitability plan initiated





Sales

| | |
|-----|------|
| Y/Y | -31% |
| Q/Q | -4% |

EBITA margin

| | |
|------|------|
| Q310 | 0% |
| Q309 | +15% |
| Q210 | -5% |

 Multimedia EBITA
 Multimedia sales

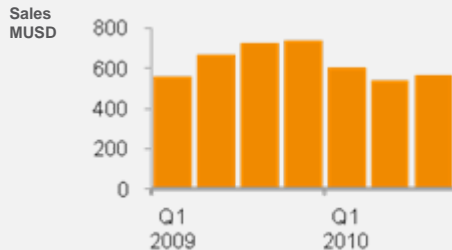
All numbers excl. restructuring charges and adjusted for divestment of mobile platforms and PBX business in 2008
 Fourth quarter 2008 excl. capital gain of SEK 0.8 b. for divestment of Symbian shares

Q3 JOINT VENTURES



Sony Ericsson

Stabilizing performance - third consecutive quarter of profit. Positive effects of transformation and slimmer product portfolio.



ST-Ericsson

Decreased loss due to cost savings and seasonality. Short-term credit facility USD 50 m from parents utilized.



Ericsson share in JV earnings SEK 0.0 (-1.5) b

Sony Ericsson SEK 0.3 (-1.0) b
ST-Ericsson SEK -0.3 (-0.5) b

Excl. Restructuring charges



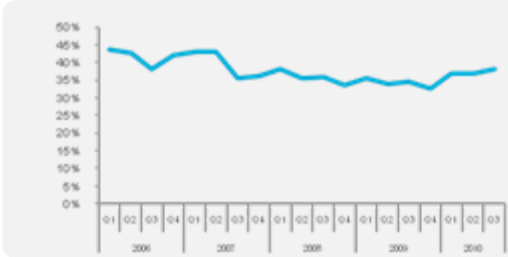
JAN FRYKHAMMAR

CFO AND EXECUTIVE VICE PRESIDENT



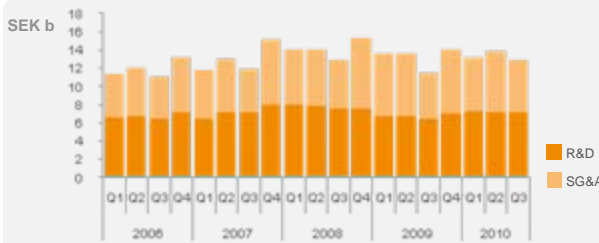
FINANCIAL OVERVIEW

PROFITABILITY



Gross margin 39% (36%)

YoY improvement due to business mix, higher proportion network upgrades and expansions, cost reductions.



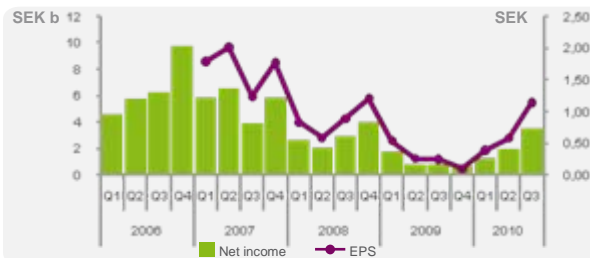
Operating expenses SEK 13.0 (11.6) b

Negative impact from integration of Nortel CDMA and GSM businesses, higher R&D investments, more LTE trials. QoQ reduction in SG&A due to normal seasonality.



Operating margin excl JVs 13% (12%)

YoY improvement follows positive gross margin development. QoQ improvement follows seasonally low operating expenses and higher other operating income. Lower additions of provisions – reflecting business, market and technology mix



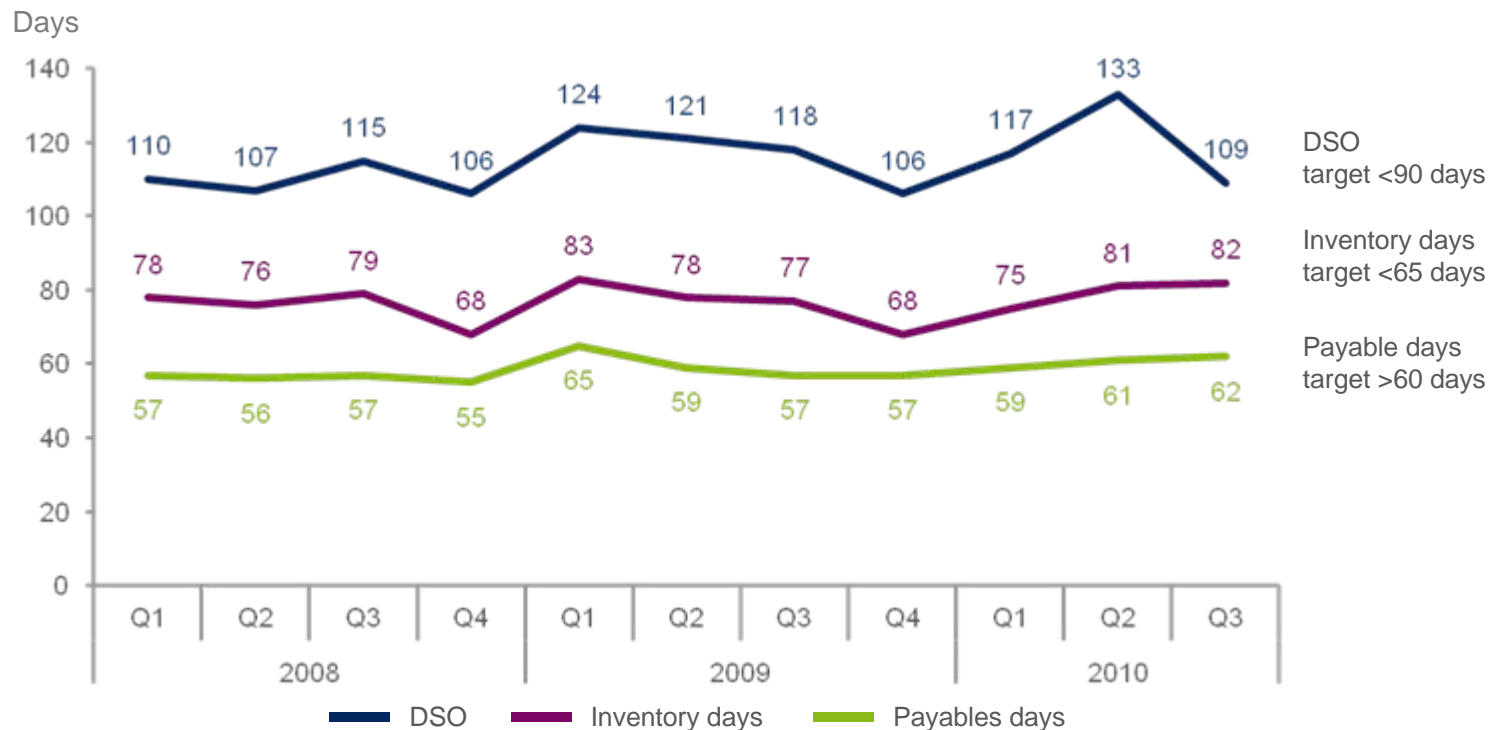
Net income SEK 3.6 (0.8) b, EPS 1.14 (0.25)

Improvement mainly due to improved operational results, JV earnings and lower restructuring charges.

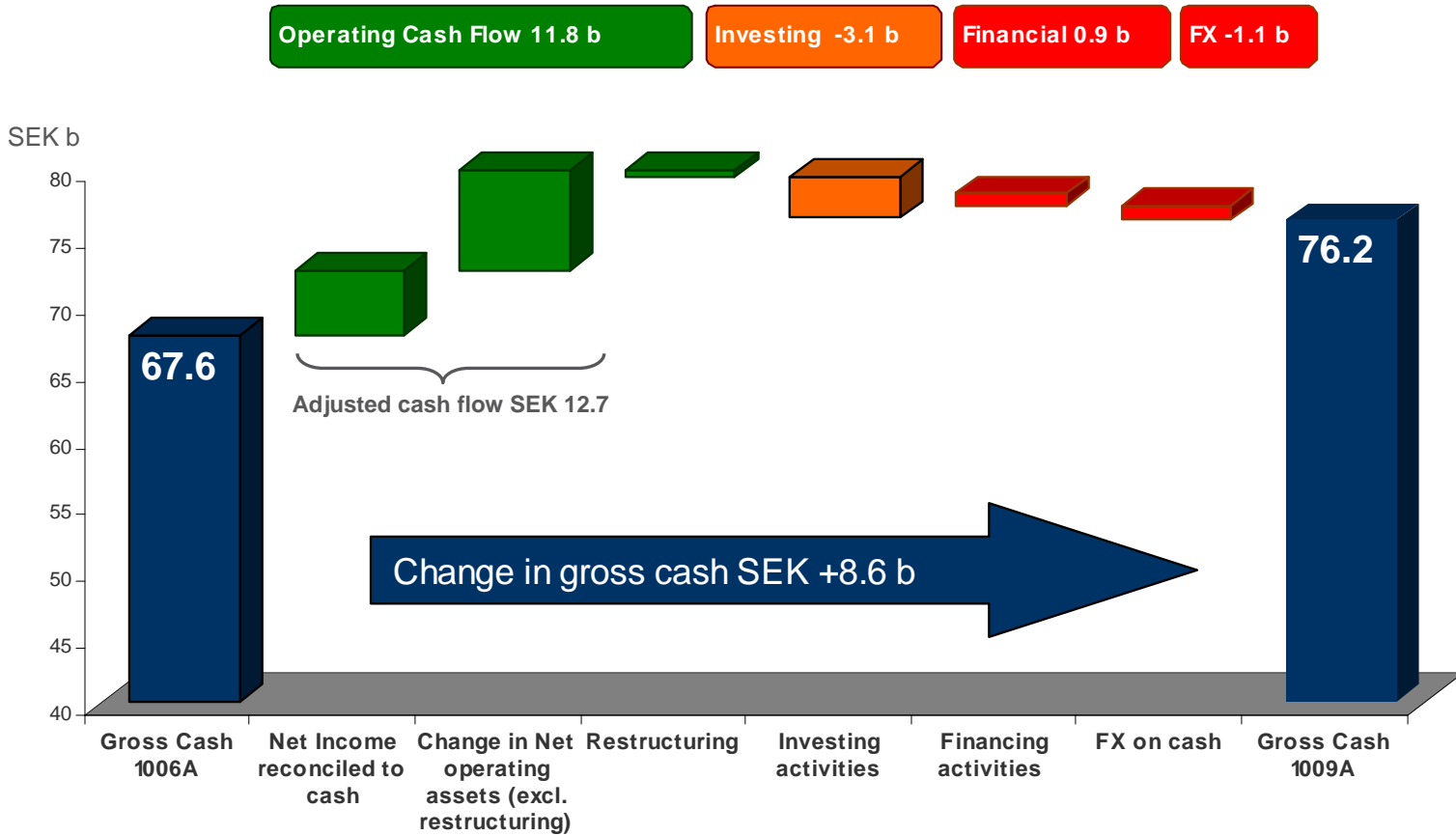
* All numbers, excl. EPS and Net income excl restructuring

BALANCE SHEET RATIOS

- › DSO decreased due to improved collections and strong SEK
- › Inventory days increased due to seasonal build up, partly offset by a strong SEK
- › Capital efficiency remains top of agenda



CHANGE IN GROSS CASH Q3 2010



Change in net cash +9.9 b (from 25.8 to 35.7 b)

COST EFFICIENCY

- › Focus on cost efficiency
 - Product rationalization
 - Service delivery
 - Transformation in managed services contracts

- › Restructuring charges
 - Q3 charges of SEK 0.9 b
 - Cash outlays Q3 SEK 0.9 b
 - SEK 3.8 b remain to be paid
 - Q4 charges of approximately SEK 1.5 b

Please note that not all restructuring charges lead to cash out

FOCUS AREAS

GROW FASTER THAN THE MARKET

BEST IN CLASS MARGINS

STRONG CASH CONVERSION

GROWTH IN JV EARNINGS



THIRD QUARTER 2010

Q & A



ERICSSON